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ABSTRACT

A survey was conducted of advertising practitioners in advertising agencies and in corporations to determine their beliefs about their own ethics, the ethics of their peers, the ethics of their management, and their opportunities to engage in certain potentially unethical situations. It was hypothesized that no differences exist between the two groups over these four dimensions. Three hundred ninety-five agency practitioners and 292 corporate practitioners were selected for the study. Two waves of mailings six weeks apart produced 225 usuable surveys. The results showed that agency practitioners did not consider such items as falsifying time and quality/quantity reports, padding an expense account more than 10%, and manipulating a situation to make a superior look bad to be as unethical as did corporate practitioners. One explanation of this is that agency practitioners have greater opportunities to engage in such behavior than do corporate practitioners. The findings suggest that advertising agency management would benefit not only from laying out normative standards of behavior but also from investigating the beliefs on the personnel with their firms. (FL)

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COMPARING THE ETHICAL BELIEFS OF ADVERTISING AGENCY PRACTITIONERS TO CORPORATE PRACTITIONERS

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COMPARING THE ETHICAL BELIEFS OF ADVERTISING AGENCY PRACTITIONERS TOWARD CORPORATE PRACTITIONERS

There is skepticism over the ethical behavior of business practices and recent surveys indicate ethics is a major concern among both consumers and businessmen (5,6). In part, this concern has led to the question of how the individual behaves within the organization and how peer interaction affects ethical behavior within the organization (1). The purpose of this study is to investigate ethical beliefs of advertising managers. The study focuses on how advertising practitioners perceive behavioral situations related to ethics within their organizations.

Carrol noted the impact of individual interactions within the corporation when he found that young managers in business would go along with their superiors in matters related to moral judgments (2). Zey-Ferrell, Weaver and Ferrell found that the ethical beliefs of individuals working within the firm and the opportunity to engage in unethical behavior determine the ethical behavior of individuals within the firm (7). Ferrell and Weaver concluded that organizational policies should provide guidance when the marketing manager faces conflict in making ethical judgments (2). The aforementioned studies have provided insight into how general or marketing management personnel may contribute to overall corporate ethics or how individuals become conditioned to act according to some preset corporate or peer group ethical standard. However, there is still a specific need to study how the individual-organization relationship functions within advertising management. A need for study

of this nature was recently alluded to by Frazer when he noted that "pressures toward an increased sense of corporate responsibility require communication policies which are based upon management's sense of ethical behavior" (3).

This study focuses on those individuals responsible for shaping advertising strategies and tactics. The study does not attempt to define ethical behavior, but rather to study the beliefs of advertising practitioners concerning internal organizational behavior. Assumedly, a company's internal organizational behavior may ultimately affect their advertising program.

To this end, the study concentrates on two separate organizations responsible for most of today's advertising: the advertising agency and the corporation. Advertising practitioners in each of these organizations were asked a series of questions designed to focus on ethical behaviors. In order to be consistent with the previous literature, the focus was on the manager within each of these organizations. In the agency attention was concentrated on account management personnel; in the corporation focus was on advertising or marketing managers. It was felt that a study of this nature would (1) allow for an investigation of those individuals responsible for shaping the strategy and tactics of advertising and (2) allow for a comparison of individuals within two of the major advertising institutions, the agency and the advertiser.

Study of Relationships

This study examines advertising practitioners in advertising agencies and corporations over: (1) What they believe to be their own ethics, (2) What they perceive to be the ethics of their peers, (3) What they believe to be the ethics of their management, (4) Their opportunity to engage in certain potentially unethical situations. Under examination are the differences in the four aforementioned dimensions between those individuals with advertising related jobs in

the corporate structure and those individuals operating in advertising agencies.

Sample

The data were derived from a systematic sample of practitioners selected from 1978 Advertising Age listings of the Top 100 Advertisers and Advertising Agencies by Gross Income as well as the Standard Directory of Advertisers. Three hundred ninety-five advertising agency practitioners, generally holding an Account Management title, and 292 corporate practitioners, generally holding the title of Marketing Manager or Director, or Advertising Director or Manager, were selected for the study.

There were two waves of mailing six weeks apart. Two hundred and twenty-five usable surveys were returned. This constituted an effective response rate of 33%.

Interestingly, the response rate was extremely high for the larger agencies and tapered off uniformly as the agency size diminished. In agencies over 5,000,000 in gross income, 60% of the surveys were returned. This dropped off to 24% for agencies between 3-5,000,000, 19% for agencies between 1-3,000,000 and 16% for agencies under 1,000,000.

Generally, the response rate did not vary among corporate advertisers by size; it remained a uniform 33%.

Responses to Behavioral Situations

The data collection phase utilized a self-administered questionnaire. In this study four response areas were utilized consisting of 16 identical items. The questionnaire format was originated by Newstrom and Ruch in a previous study of ethical beliefs and conduct of managers enrolled in a professional development program (4). The questionnaire was subsequently

modified by Ferrell and Weaver in their investigation of Marketing Managers who were members of the American Marketing Association (2). For this study slight revisions were made to survey advertising practitioners. The four response areas are:

1. What I believe. This section reports what individual respondents believe about the ethical nature of their own behaviors.
2. What I think My Peers Believe. This section asked for the respondent's opinion regarding how most other persons in the professional area would feel about each of the behaviors. Respondents were asked to reply based on their view of the typical or majority of their peers. The respondents were instructed to reply in accordance with what they think their peers believed, regardless of what they themselves might do.
3. What I think Top Management Believes. This section asked for the respondent's perceptions of top management beliefs.
4. My opportunity to Engage in Behavior. This section asks the respondent to report how frequently they have the opportunity to engage in the various behaviors.

The left-hand columns in Tables 1-4 identify the 16 behavioral situations (repeated for each response area, on a rotating basis, to minimize response bias). They represent intraorganizational behaviors which confront nearly all individuals who participate in a corporate environment. The responses generated, as in the original Newstrom and Ruch study, were designed to elicit cross-perceptual data for comparison purposes.

The responses were collected by use of a Likert-type scale consisting of fixed standardized response categories for the four areas. The responses for the belief sections (1, 2, and 3) asked for responses ranging from "not at all unethical" to "very unethical." The second set of responses (4), related to how often individuals had the opportunity to engage in the behavior,

ranged from "never" to "very often."

Because of the sensitive nature of this research, the respondents were informed that no individual scores could be identified. Replies from the respondents indicated a high level of concern with the general area of internal behaviors and beliefs, and a willingness to cooperate.

Hypothesis

The data were analyzed to test whether those advertising practitioners within advertising agencies were significantly different from advertising/marketing practitioners within corporate structures in their perceptions of: (1) What I believe (2) What I think my peers believe (3) What I think my management believes, and (4) Their opportunity to engage in the particular behaviors. Therefore, the null hypothesis would be that no differences exist between the two groups over these four perceptual dimensions.

Results

Tables 1-3 indicate the mean scores and their significance levels for agency practitioners and corporate practitioners. The various differences between the means were examined using two tailed t-tests. In each table only those variables significant at the .05 level are reported.

In tables 1-3 a high mean score indicates that the behavior is believed to be highly unethical. In table 4 a low mean score indicates the individual has a greater opportunity to engage in the behavior. While the majority of the cases do not result in significant findings between the perceptions of agency and corporate practitioners, there is an interesting consistency in the findings. In all cases but two (Item 1, Table 2 and Item 14, Table 3), agency responses are lower than corporate responses indicating that agency people do not believe the particular behaviors to be as unethical.

In all four tables, item three, falsifying time, quality/quantity reports, indicates that agency practitioners are significantly lower in their beliefs. Additionally, table 1 indicates that agency practitioners along the What I Believe dimension were significantly lower than their corporate counterparts in: calling in sick to take the day off, manipulating a situation to make a superior look bad, and using company materials, services, or supplies for personal reasons. Again, this indicates that agency practitioners do not perceive these items to be as unethical.

Table two deals with the concept of what the practitioner feels are the ethical beliefs of peers. In addition to the one significant item found in all tables (falsifying time, quality/quantity reports), this area found four items to have significant differences between agency and corporate practitioners:

Calling in sick to take the day off

Padding an expense account up to 10%

Padding an expense account more than 10%

Doing business on personal time

These behavioral items were all viewed to be significantly more unethical by corporate respondents.

Table three deals with the concept of what the practitioner feels are the ethical beliefs of his management. In addition to falsifying time/quality/quantity reports, this area uncovered three significant areas. Agency perceptions of management beliefs were significantly lower for padding an expense account more than 10%, divulging confidential information and taking longer than necessary to do a job.

Table four indicates the opportunity for the respondent to participate in the particular behaviors. The lower the number, the greater the opportunity for the individual to participate in a given behavior. Interestingly,

there is a tendency for those behaviors with high opportunity to appear as significantly different in the other tables. That is, the greater the opportunity to engage in a behavior (items 1-16, table 4) emerge over many of the same items found in tables 1-3 where agency managers did not view the items to be as unethical. This holds true for falsifying time/quality/quantity reports (tables 1-3), padding an expense account more than 10% (tables 2-3) and manipulating a situation to make a superior look bad (table 1). Additionally, table 4 indicates that agency personnel had a significantly greater opportunity to engage in the behaviors of, manipulating a situation to make a subordinate look bad and giving gifts/favors in exchange for preferential treatment.

Discussion

While the data in tables 1-3 indicates that agency practitioners differ significantly from corporate practitioners in only four to five of the 16 items across the four various dimensions, it is important to note that in almost all items the direction is the same. That is, agency practitioners do not as a general rule consider the items to be as unethical as corporate practitioners.

Of course, this does not infer that agency practitioners are more unethical than their corporate counterparts. One potential explanation for why falsifying time/quality/quantity reports is significantly lower in all areas is the notion that agency practitioners have a greater opportunity to engage in this type of behavior. This is consistent with Zey-Ferrell, Weaver and Ferrell who found that the greater the opportunity the more likely the manager would engage in a particular behavior (7).

Generally, the agency practitioners have reported they have greater opportunity to engage in the behaviors under investigation. Of the five

found significant in table 4, three overlap in at least one of the other areas. Some of the reported falsifying time/quality/quantity reports may lie in the cost accounting systems that many agencies use to determine and justify client fees. Additionally, table 4 indicates that agency managers have a significantly greater opportunity to pad expense accounts more than 10%. This helps to explain the significance found in table 2 and 3 over the dimension.

This investigation has attempted to help explain how advertising practitioners operating in two different organizations perceive certain ethically oriented situations. It has investigated the individual organization relationship in two of the major advertising institutions: the advertising agency and the corporation which utilizes a marketing or advertising department.

A major limitation of this study is that all of the data are perceptual and belief oriented. It is reasonable to argue that respondents present a biased picture about the various ethical perceptions. The importance is that respondents "believe" that some behavioral situations are more ethical than others. There is no information available to feel that agency managers would bias the information any more than corporate managers. Therefore, the differences and consistent direction of the means indicate agency managers believed several of the behavioral situations were more ethical than did company managers.

Given the direction of the findings, it appears that advertising agency management would benefit from not only laying out normative standards of behavior but from investigating the beliefs of the personnel with their firms. This may lead to a more concrete understanding of how the individual makeup of any firm may ultimately affect the actions of the firm. Also, more research should be conducted to determine why advertising agency respondents generally believed that the behaviors were more ethical and company managers believed

the behaviors were less ethical in some situations.

Additionally, it is interesting to note that survey researchers may have an easier time investigating large agencies than smaller or medium size agencies. This might lead to survey strategies that support additional planning and emphasis in order to garner responses from smaller and medium size agencies.

Table 1

"WHAT I BELIEVE"*	Agency Practitioners $\bar{X}$	Corporate Practitioners $\bar{X}$	Significant Level
1. Claiming credit for someone else's work	4.69	4.74	
2. Concealing one's errors	3.82	3.91	
3. Calling in sick to take a day off	3.85	4.20	0.02
4. Falsifying time/quality/quantity reports	4.43	4.82	0.00
5. Padding an expense account more than 10%	4.59	4.76	
6. Accepting gifts/favors in exchange for preferential treatment	4.26	4.37	
7. Manipulating a situation to make a superior look bad	4.52	4.74	0.03
8. Using company materials, services or supplies for personal reasons	3.26	3.56	0.05
9. Not reporting others' violations of company policies and rules	3.04	3.23	
10. Taking extra personal time (lunch hour, breaks, early departure, etc.)	2.65	2.86	
11. Manipulating a situation to make a subordinate look bad	4.64	4.72	
12. Giving gifts/favors in exchange for preferential treatment	3.90	3.99	
13. Padding an expense account up to 10%	4.04	4.30	
14. Doing personal business on company time	2.77	3.03	
15. Divulging confidential information	4.87	4.93	
16. Taking longer than necessary to do a job	3.70	3.83	

* A high mean indicates the behavior to be highly unethical.

Table 2

"WHAT I THINK MY PEERS BELIEVE"*	Agency Practitioners $\bar{X}$	Corporate Practitioners $\bar{X}$	Significant Level
1. Claiming credit for someone else's work	3.96	3.91	
2. Concealing one's errors	3.40	3.51	
3. Calling in sick to take a day off	3.14	3.55	0.01
4. Falsifying time/quality/quantity reports	3.82	4.41	0.00
5. Padding an expense account more than 10%	4.04	4.34	0.03
6. Accepting gifts/favors in exchange for preferential treatment	3.70	3.81	
7. Manipulating a situation to make a superior look bad	4.07	4.19	
8. Using company materials, services or supplies for personal reasons	2.86	3.13	
9. Not reporting others' violations of company policies and rules	2.83	2.94	
10. Taking extra personal time (lunch hour, breaks, early departure, etc.)	2.35	2.56	
11. Manipulating a situation to make a subordinate look bad	4.01	4.20	
12. Giving gifts/favors in exchange for preferential treatment	3.56	3.75	
13. Padding an expense account up to 10%	3.16	3.53	0.01
14. Doing personal business on company time	2.56	2.83	0.05
15. Divulging confidential information	4.49	4.68	
16. Taking longer than necessary to do a job	3.36	3.44	

* A high mean indicates the behavior to be highly unethical.

Table 3

"WHAT I THINK TOP MANAGEMENT BELIEVES"*	Agency Practitioners $\bar{X}$	Corporate Practitioners $\bar{X}$	Significant Level
1. Claiming credit for someone else's work	4.23	4.30	
2. Concealing one's errors	3.81	4.04	
3. Calling in sick to take a day off	4.03	4.18	
4. Falsifying time/quality/quantity reports	4.39	4.75	0.00
5. Padding an expense account more than 10%	4.49	4.71	0.04
6. Accepting gifts/favors in exchange for preferential treatment	4.27	4.46	
7. Manipulating a situation to make a superior look bad	4.55	4.75	
8. Using company materials, services or supplies for personal reasons	3.59	3.76	
9. Not reporting others' violations of company policies and rules	3.61	3.72	
10. Taking extra personal time (lunch hour, breaks, early departure, etc.)	2.99	3.15	
11. Manipulating a situation to make a subordinate look bad	4.34	4.49	
12. Giving gifts/favors in exchange for preferential treatment	3.82	4.01	
13. Padding an expense account up to 10%	4.17	4.33	
14. Doing personal business on company time	3.19	3.19	
15. Divulging confidential information	4.75	4.93	0.03
16. Taking longer than necessary to do a job	3.65	4.01	0.01

* A high mean indicates the behavior to be highly unethical.

Table 4

"MY OPPORTUNITY TO ENGAGE IN BEHAVIOR"*	Agency Practitioners $\bar{X}$	Corporate Practitioners $\bar{X}$	Significant Level
1. Claiming credit for someone else's work	3.25	3.49	
2. Concealing one's errors	2.99	3.23	
3. Calling in sick to take a day off	2.85	3.14	
4. Falsifying time/quality/quantity reports	2.89	3.79	0.00
5. Padding an expense account more than 10%	2.66	3.25	0.01
6. Accepting gifts/favors inexchange for preferential treatment	3.49	3.60	
7. Manipulating a situation to make a superior look bad	3.60	3.99	0.04
8. Using company materials, services, or supplies for personal reasons	2.36	2.59	
9. Not reporting others' violations of company policies and rules	3.07	3.32	
10. Taking extra personal time (lunch hour, breaks, early departure, etc.)	2.20	2.33	
11. Manipulating a situation to make a subordinate look bad	3.19	3.65	0.02
12. Giving gifts/favors in exchange for preferential treatment	3.67	4.01	0.05
13. Padding an expense account up to 10%	2.55	2.78	
14. Doing personal business on company time	2.24	2.45	
15. Divulging confidential information	2.75	2.94	
16. Taking longer than necessary to do a job	2.77	2.90	

* A low mean indicates a greater opportunity to engage in a particular behavior.

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